

JIM IRVIN  
COMMISSIONER-CHAIRMAN

TONY WEST  
COMMISSIONER

CARL J. KUNASEK  
COMMISSIONER



ARIZONA CORPORATION COMMISSION



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ACTING EXECUTIVE SECRETARY

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AZ COM. COMMISSIONER

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DOCUMENT CONTROL

MEMORANDUM

**TO:** Commissioner-Chairman Jim Irvin  
Commissioner Tony West  
Commissioner Carl J. Kunasek

**FROM:** Mark Sendrow *MS*  
Director of Securities

**DATE:** February 3, 1999

**RE:** Notice of Docket Opening; RS-00000A-98-0240

**cc:** Stuart R. Brackney, Acting Executive Secretary

Arizona Corporation Commission

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The Securities Division is opening a new rulemaking docket concerning the Arizona Investment Management Act (the "IM Act"). The rulemaking proposes the repeal of A.A.C. Sections R14-6-101 through R14-6-104 and R14-6-201 through R14-6-209 and the adoption of new Sections R14-6-101 through R14-6-104, R14-6-106, and R14-6-201 through R14-6-212. This rulemaking is related to an earlier docket opening (4 A.A.R. 1290, June 5, 1998) that addresses most, but not all, of the changes anticipated in this rulemaking. Like the previous rulemaking, this rulemaking will correct technical errors within the sections, address amendments to the United States Securities and Exchange Commission rules regarding the regulation of investment advisers and investment adviser representatives, and prescribe parameters to the term "solicit" as used in the IM Act. The Division intends to join the two dockets when it publishes its notice of proposed rulemaking so that it may proceed with a single, unified rulemaking process. A copy of the Notice of Rulemaking Docket Opening is attached for your information.

## NOTICE OF RULEMAKING DOCKET OPENING

### ARIZONA CORPORATION COMMISSION, SECURITIES DIVISION

1. **Title and its heading:** 14, Public Service Corporations; Corporations and Associations; Securities Regulation  
**Chapter and its heading:** 6, Investment Management  
**Articles and their headings:** 1, General Provisions Relating to the Arizona Investment Management Act  
2, Duties of Investment Advisers and Investment Adviser Representatives  
**Section numbers:** R14-6-101 through R14-6-104, R14-6-106, and R14-6-201 through R14-6-212
2. **The subject matter of the proposed rules:** A.A.C. R14-6-101 through R14-6-104 and R14-6-201 through R14-6-209, combined with the enforcement Sections (A.A.C. R14-4-301 through R14-4-308) of the Arizona Securities Act, provide a comprehensive framework of regulation as authorized by the IM Act in place of the repealed Sections. The Corporation Commission proposes the repeal of Sections R14-6-101 through R14-6-104 and R14-6-201 through R14-6-209 and the adoption of new Sections R14-6-101 through R14-6-104, R14-6-106, and R14-6-201 through R14-6-212 in order to correct technical errors within the Sections, to reflect amendments to the United States Securities and Exchange Commission rules regarding the regulation of investment advisers and investment adviser representatives, and to prescribe parameters to the term "solicit" as used in the Arizona Investment

Management Act adopted in April 1994 ("IM Act"). Additional sections may be added, deleted, or modified.

**The agency docket number:** Docket Number RS-00000A-98-0240

3. **A citation to all published notices relating to the proceeding:** 4 A.A.R. 1290, June 5, 1998.

4. **The name and address of agency personnel with whom persons may communicate regarding the rule:**

Name: Cheryl T. Farson, Associate General Counsel  
Address: Arizona Corporation Commission, Securities Division  
1300 W. Washington, Third Floor  
Phoenix, AZ 85007  
Phone: (602) 542-4242  
Fax: (602) 594-7470

5. **The time during which the agency will accept written comments and the time and place where oral comments may be made:** All comments will be accepted Monday - Friday, 8:00 a.m. - 5:00 p.m., and should be addressed to the person listed in Question 4. No hearing date has been set.

6. **A timetable for agency decisions or other action on the proceeding, if known:** None known.